

**MINUTES OF THE
BOARD OF BUSINESS AND ECONOMIC DEVELOPMENT
July 16, 2004 Meeting**

Members Present:	Mark Howell, Barbara Zimonja, Karen Alvey, Ted Smith, Richard Nelson, Ed Ekstrom, Debra Tanzi, and Jane Shock.
Members Absent:	Bill Boyle, Dell Loy Hansen, Joel Bradford, David Simmons, Jerry Oldroyd, Cliff White, and Kenneth Woolley.
Visitors:	Jeff Edwards, EDCU, Brad Baird EDCU, Ron Pugmire, University of Utah, John Mathews, University of Utah, Pierre Schelsky, University of Utah, Kai Martens, University of Utah, Steven Oberbech, Salt Lake Tribune, Cliff Ames, SmartUtah Foundation, Brigitte Tucker, SmartUtah Foundation.
Staff:	Marian Hein, Tracie Cayford, Tamee Roberts, Jeremy Neilson, Lisa Howe, Mark Renda, Kelly Day, Connie Gates, Jeff Gochmour, Rod Linton, Cathy Rawstorn, Stan Nance, Leigh Von der Esch, Mike Keene, Aaron Syrett.

Welcome

Mark Howell conducted the meeting for Chairman David Simmons and welcomed the DBED Board, staff, and guests.

Special Award Presentation

Cliff Ames and Brigitte Tucker from the SmartUtah Foundation honored Karen Alvey by presenting her with the SmartUtah Electronic Community award for her leadership role in Economic reform in the community of Kanab.

Committee Reports

Business Development

Debra Tanzi reported that the committee met this morning to go over action items that came out of the May 20, 2004 retreat. The Committee will not create new activities, but support and enhance activities in DBED, which are already in place. The number one charter will be having the gubernatorial candidates come to a board meeting in the near future and receive a PowerPoint presentation of the overview of DBED and then find out what their focus is on economic development.

Action Item: The committee would like to have approval from the Board to make a request to the legislature to put together an action plan on how to address more custom fit training dollars. Dave Harmer suggested that a team be put together that would be interested in trying to push for a better system in Utah.

Action Item: The committee requested that they be emailed copies of the press releases that go out so that they are always aware of the news and can spread the word in various communities and also to legislators. They would also like a media list so they could personally talk to people on the list that they know.

At this point, Dave Harmer asked Jeff Gochmour to report on a media tour taken to New York with Tracie Cayford who represents Media Relations for DCED, and Richter 7 who is the current advertising agency we work with. Richter 7 set up appointments with Forbes Magazine, Business Week, Small Business, Fortune Small Business, Money Magazine, Leaders, Discover, and two science specific magazines called Nature Genetics and Nature Bio Technology. Jeff had an audio interview for about 20 minutes with the Wall Street Reporter that was published on the inter-net. Two things that will come of this; it will generate editorial content which is invaluable; and great relationships were established with reporters of several magazines so contact can now be made on a personal level. All intriguing aspects of the State were presented that would hold the interest of their readers.

Action Item: The board requested the link to the website that carried the interview with Jeff, but it is not available until the actual transcript is sent to him.

The last item Ms. Tanzi presented was the need for new centralized facilities for DCED. Dave Harmer gave a brief discussion as to where we are with the current lease on the building we are in and the possible ramifications of breaking the lease.

Action Item: Members of the board decided to address this as a future action item after further research regarding the lease and a new location for DCED is complete.

Karen Alvey reported on workforce services and the small staff they have in Kanab. She explained each county has to have a workforce services office with one business consultant who goes into the field and visits all of the businesses of the county. The suggestion was made that they leverage the staff by forming a partnership with DBED BEAR staff. If there were any new businesses or expansion of present businesses, they would be informed of what is going on in the state. It would

increase the number of staff working together without having to increase payroll. Dave Harmer suggested that they meet with Darrin Brush and discuss how quickly this could be coordinated.

Best Practices Committee

Ed Ekstrom recommended that the Best Practice subcommittee be dissolved for the original purpose that it was structured because the output of the committee has now migrated into the Business Development Committee. A new agenda could be put in place with the same members. In the last meeting, Cliff and Richard, and Ed talked about challenges facing the board, division, and state. The need for ensuring that activities are being managed for proper outcomes was discussed. One strategy that doesn't put the burden on the board, but gives it the tools necessary to monitor and ensure that the outcomes of projects they agree to fund, happen. This might be called BAM, which stands for balanced, aligned, and managed. Stage 1 would be to define an economic model. Go through a process that goes to the community- to all constituents and government agencies and get them to agree to an economic model that defines how the economic engines that drive economic outcomes hook together, and then be able to talk about them holistically rather than individually. As a part of the economic model, put together the management and measurement monitoring tools for them to look at on monthly basis to see outcomes and follow through on projects.

Incentives Committee

Barbara Zimonja presented a rural application of a manufacturing based company being presented in two parts as Project Cougar. The first part is a large employee base and the second part is a captive vendor. The Incentives Committee consensually agreed to recommend approval of Project Cougar as follows:

MOTION: Project Cougar – Part One
Approve for Project Cougar – Part One \$2,000 per new employee position, for a maximum incentive of \$800,000 on a post performance basis for 400 new full-time employee positions over five years with a salary meeting or exceeding 125% of the selected County median wage. The company must commit to keep operations in Utah for five years. Barbara Zimonja moved and Karen Alvey seconded the motion. Motion carried.

Project Cougar – Part Two
Approve for Project Cougar – Part Two \$1,800 per new employee position, for a maximum incentive of \$165,600 on a post performance basis for 92 new full-time employee positions over five years with a salary meeting or exceeding 125% of the selected County median wage. The company must commit to keep operations in Utah for five years. Barbara Zimonja moved and Richard Nelson seconded the motion. Motion carried.

The West Desert High energy Astrophysics Facility was presented as an economic opportunity action item as follows:

MOTION: Barbara Zimonja moved and Ed Ekstrom seconded a motion to approve Project West Desert High Energy Astrophysics Facility to be received by the University of Utah, a maximum incentive of \$350,000 to be used with matching funds from University Foundations, Millard County and UDOT to meet costs for the following components of this project:

- 1. Assembly/office building/ staging area,**
- 2. Road upgrades, etc.**
- 3. Environmental Impact Assessment reimbursement costs.**

To meet the costs for the Conference Center/Auditorium for Delta Utah, the University of Utah and Delta City should seek for a Legislative Appropriation at the 2005 General Session. Motion carried.

Division Reports

Jeff Gochnour gave the following update on DBED program activities:

Business Expansion Retention

- Tribal Smart Sites: Press release on Wednesday announcing the signing of a \$200 million dollar IDIQ contract with the Piute Tribally owned company "Suh'dutsing" and the Dept. of Interior.
- Meetings are being held next week in Arizona with Dept of Interior on 2 more \$100 million dollar IDIQ contracts for Utah tribally owned companies.
- The Procurement and Technical Assistance Group finished the fiscal year end reporting from clients who reported \$179 million in contracts awarded for FY 2004 (July 03 to June 04). These clients are statewide, and are represented by mostly small to medium size businesses.

- The Business Executives that are out meeting with Utah companies report that there is good activity with regards to companies that are looking at expansion projects in the next 6 months. A number of these projects could involve using the Private Activity Bond as a means of helping finance the projects.

Rural Development

- The Utah Rural Summit will be held August 11-13, 2004 in Cedar City. A good agenda is planned to cover rural initiatives. Ed Meyer and his group have been doing informal on-line surveys of rural Utah businesses, Economic Development Professionals, and Government Leaders to try and assess what the priorities for rural Utah Economic Development are.
- There are 52 approved Smart Sites. The goal was to have 1,000 jobs by the end of the 1,000day plan. It is expected that those 1,000 jobs will be filled by the end of next month.

International

- Continuing work on development of the Utah International Trade Directory website, better known as the Export Directory. This site will be the main international trade portal to Utah by a foreign audience. It will allow Utah businesses to register their goods and services and allow people who want to find out what Utah businesses are exporting and other information.
- Contracts were renewed with our ten foreign trade representatives. Working with a couple of other countries to establish a trade representatives, Japan being one of those.
- Named our first Honorary Trade Representative to Finland, Jussi Kemppainen.
- Whitehall Corporation is providing significant sponsorship for the China Harvard Leaders in Development program this year. Dates are August 21-26, 2004.
- Fall Trade Missions and Dates: Veracruz – August 22-24, Santiago / Sao Paulo – September 19-25, Moscow – October 5-9, Taiwan / Hong Kong – October 8-16, Saarbrücken / Brussels – October 16-23.
- Met with the Utah Symphony leaders this week, who are planning their first international tour in nineteen years. They will be going to Austria and Germany next spring. There is the possibility for tying a trade mission into the Symphony tour.

Film commission

- The location library scanning has been completed this month and is available on-line.
- Everwood has completed filming the second season and will start their third season on July 29, 2004.
- Photography for Buffalo Dreams is scheduled to begin in August.

Centers for Excellence

- There will be a kickoff meeting for the Centers of Excellence Directors on July 20, 2004 at the Batelle Institute Offices. The meeting will be attended by all of the participants, departments, and institutions that will interact and see what each other are doing.

Technology and Science

- Plans for the National Association of Seed and Venture Funds conference to be held at the Grand America from November 10-12, 2004 are continuing. Our sponsorship commitment has been exceeded, but on the National level, the dollars are still short. However, the money will be in place for the conference.
- We have renewed our support for a number of institutions including the Wayne Brown Institute, Young Entrepreneurs of America, and the University of Utah Student Venture Fund. The University of Utah held their first conference last January and it was attended by a high profile group of speakers and participants, so we are supporting the upcoming conference.
- Update on the manufacturing extension partnership: In good shape due to increased State funding this year however, the hope is that Federal funding will be restored in 2005 to allow going back to business as usual, prior to federal cutbacks.

National Business Development

- There have been four site visits since the last board meeting.
- Follow-up mailings were sent to participants in CoreNet and others who are sending out the Business Utah 2004 publication. Planning has begun for the Fall San Antonio CoreNet meeting.

August 20, 2004 Agenda:

Approval of June 24, and July 16, 2004 minutes

Committee Reports

Division Report

With no further business to take care, Acting Chairman Mark Howell adjourned the meeting.